

FISCAL MEMORANDUM

HB 1797 – SB 2003

May 3, 2007

SUMMARY OF AMENDMENT (007958, 007954):

Amendment 007958 changes the “Tennessee Agricultural Ethanol Production Act of 2007 (TAEPA)” from a three-year pilot program to a two-year pilot program. Amendment 007954 requires the TAEPA apply only to those counties of the eastern grand division of the state that have been designated non-attainment areas by the U.S. Environmental Protection Agency (USEPA) on the effective date of this act.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease State Revenues - \$1,672,500 – FY07-08
\$3,345,000 – FY08-09
\$3,345,000 – FY09-10
\$1,672,500 – FY10-11

Increase State Expenditures - \$100,000 One-Time

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Decrease State Revenues - \$1,672,500 – FY07-08
\$3,345,000 – FY08-09
\$1,672,500 – FY09-10

Increase State Expenditures - \$100,000 One-Time

Assumptions applied to amendment:

- Changing the TAEPA from a 3-year pilot program to a 2-year program eliminates one year of proposed tax credits estimated to be \$3,345,000.
- The USEPA does not change applicable non-attainment areas between the date of passage for this bill and the effective date for the bill, which is January 1, 2008.
- First- and last-year impacts are estimated at 50% of full-year impact due to the January 1 effective date.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a more compact, stylized manner.

James W. White, Executive Director

/rnc